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CHEMICAL & ENGINEERING

NEWS

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Development for military and industrial uses expands Page 9

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News of the Week

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■ **House science committee hearing reveals members' dissatisfaction with the Administration's handling of science and technology issues.** **Page 5**

■ **W. R. Grace is indicted on two counts of falsifying information to EPA on the chemicals used and the wastes disposed of at its Woburn, Mass., plant.** **Page 5**

■ **World's highest-energy particle accelerator goes into operation at Fermilab.** **Page 6**

■ **Williams Cos. agrees to sell its agricultural fertilizer company to Freeport-McMoRan Resource Partners.** **Page 6**

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Cover Story

High-performance fibers are used increasingly for military and industrial applications as a result of their competitive advantages in strength, weight, heat tolerance, and chemical breakdown resistance. **Page 9**

NIH Feels Bite of President's Budget Restraint

Administration proposes 9% cut in available funds for 1988; large part of budget would be deferred to later years to cover current grants

Although basic research generally has fared quite well under President Reagan, there has been some discontent within the Administration over the amount of money being spent at the National Institutes of Health. Last year a major battle erupted between Congress and the Administration over increased research funding for, and the number of grants awarded by, NIH that ended with Congress providing a budget 21% higher than that first proposed by the President.

The Administration appears to be trying to recoup that loss in the fiscal 1988 budget, however. For fiscal 1988, the total NIH request is $8.2 billion, with more than $7.8 billion going to fund the research institutes. But all of this money could not be used in 1988. In fact, NIH would spend only $5.4 billion in 1988; the rest would be deferred to later years. The result is that available funds at NIH for 1988 would be cut 9% compared with Congress' 1987 appropriation.

The Administration simply believes that the amount of funds set by Congress in 1987 to fund nearly 6400 competitive grants and more than 13,000 noncompetitive research projects is just too much. The proposed budget would take a portion of the 1987 appropriation, about $334 million, and postpone its use until fiscal 1988. A spokesman for the Department of Health & Human Services, of which NIH is part, says this would reduce 1987 grants awards to about 5700, deferring approval of the other 700 until 1988. Unlike a similar move to cut grants in 1985, the Administration said that this time no changes will be made until Congress approves them.

The smaller number of grants, however, accounts for only $120 million of the money that is being held back in 1987. The remainder, $214 million, is going to be saved by decreasing the size of the grants awarded. HHS says this will be done by cutting back the high rate of growth in the size of grants that has been typical of research projects. Office of Management & Budget figures reflect a projected growth in grant size of less than 5% over the next three years. Actually, OMB's growth calculations allow only a 1.5% annual increase each year, with a contingency fund that would allow funding up to the 5% level. Grant size has been increasing at a rate of about 10% annually. One impact of this lower growth rate figure used by OMB for the multiyear funding is that it will force NIH to examine its historically high inflation rate.

A substantial portion of the NIH budget proposal would provide for multiyear funding of grants awarded in 1987. This money, set at $508 million in fiscal 1988, would go to fully fund grants awarded this year.

Deferrals, multiyear funding make NIH budget more complex

$ Millions	1987 appropriation	Carryover to 1988[a]	Total 1988 request	Outyear funding[b]	Actual new funds for 1988[c]	% change 1987–88[d]
National Institutes	**$5564.8**	**$333.0**	**$7841.4**	**$2717.3**	**$5113.8**	**−8%**
Cancer	1402.8	64.1	1811.1	508.3	1302.8	−7
Heart, Lung & Blood	930.0	56.6	1274.4	452.5	821.9	−12
General Medical Sciences	570.9	44.9	873.6	391.5	482.0	−16
Allergy & Infectious Diseases	545.5	26.4	815.3	264.2	551.1	2
Diabetes & Digestive & Kidney Diseases	511.1	35.4	767.6	327.1	440.4	−14
Neurological & Communicative Disorders & Stroke	490.2	35.0	677.5	254.3	423.2	−14
Child Health & Human Development	366.8	23.4	493.2	171.2	322.0	−12
Eye	216.6	15.2	295.7	110.9	184.6	−15
Environmental Health Sciences	209.3	6.3	239.9	41.4	198.4	−5
Aging	176.9	11.0	237.9	81.8	156.2	−12
Arthritis & Musculoskeletal & Skin Diseases	138.7	9.1	201.1	78.1	123.0	−11
Dental	117.9	5.6	144.1	36.0	108.0	−8
Research resources	**322.9**	**0.0**	**263.3**	**0.0**	**263.3**	**−18**
National Library of Medicine	**61.8**	**0.0**	**64.4**	**0.0**	**64.4**	**4**
Center for Nursing Research	**19.0**	**1.5**	**24.9**	**8.7**	**16.1**	**−15**
John E. Fogarty Center	**11.4**	**0.0**	**11.6**	**0.0**	**11.6**	**2**
Research facilities	**31.9**	**0.0**	**5.0**	**0.0**	**5.0**	**−84**
TOTAL	**$6011.8**	**$334.5**	**$8200.6**	**$2726.0**	**$5474.2**	**−9%**

a Funds that the Administration requests be deferred from fiscal 1987 and spent in fiscal 1988. b Funds requested for fiscal 1988, but not to be used until 1989 and 1990 to cover grants this year. c Only new funds for 1988; actual spending would include the carryover 1987 funds, thus making the 1988 spending slightly higher. d Change is difference between 1987 appropriation and base funding request for 1988. **Source:** Department of Health & Human Services

HHS says that, if Congress approves the process, in three or four years, all NIH grants would receive full advanced funding. HHS budget personnel say this really has no effect on the NIH budget but is being done as a way to reveal the rapidly rising costs of NIH grants and to get Congress to consider reducing costs.

One group committed to action against the reduced spending proposal is the Ad Hoc Group for Medical Research Funding. The organization comprises about 150 groups that lobby for research funds for NIH and the Alcohol, Drug Abuse & Mental Health Administration. David Baime, a spokesman for the group and an analyst for the Association of American Medical Colleges, says its members are extremely upset about the President's proposal and are considering some kind of legal action. Baime says the group is concerned that NIH will be forced to take some action based on the proposed budget before the changes can be properly considered by Congress. He is afraid that the proposal could cut research grant size by almost 10%, on average, meaning that researchers would be receiving less money than expected and would have to cut back on the scope of their projects that have already been approved. OMB's projections of having grants grow at 1.5% annually is totally unrealistic and just adds to the confusion, Baime says.

Baime and others contacted about the proposed budget do not think Congress will enact legislation approving the changes as recommended. There remains very strong support for NIH in Congress, as shown by the large increase in appropriations passed last October. And that is not likely to be swayed by the spreadsheet gymnastics the executive branch is using to point up the high cost of biomedical research. Baime says the ad hoc group is close to suing the Administration to ensure that none of the proposed changes are implemented before Congress acts. Such a move would have to come soon, he says, because there are already indications that OMB may be setting NIH up as the "bad guy" if NIH is forced to make cuts in grant funding.

David Hanson, Washington

Federal alert—new legislation

This C&EN listing highlights legislation introduced in Congress between Jan. 6 and 12. House and Senate bills are listed under subject area by number, primary sponsor, and committee to which they were referred.

HOUSE

Environment. H.R. 463—Coleman (R.-Mo.). Requires notification of local, state, and federal officials of storage of suspended or cancelled pesticides, and permits EPA inspection of storage sites; referred to Agriculture.

Intellectual property. H.R. 557—Fish (R.-N.Y.). Modifies application of antitrust laws to encourage licensing of patented inventions; referred to Judiciary.

Trade. H.R. 507—Neal (D.-N.C.). Requires President to take retaliatory action against foreign barriers and restrictions that unfairly limit U.S. trade; referred to Ways & Means.

SENATE

Energy. S. 85—Johnston (D.-La.). Repeals natural gas end-use limitations in Powerplant & Industrial Fuel Use Act of 1978, and incremental pricing requirements in Title II of Natural Gas Policy Act of 1978; referred to Energy & Natural Resources.

Environment. S. 1—Byrd (D.-W.Va.). Amends Clean Water Act, sets new restrictions on industry waivers from national discharge standards, and extends deadlines for compliance with new technology-based standards; referred to Environment & Public Works.

S. 20—Moynihan (D.-N.Y.). Directs EPA to establish water quality criteria for 100 groundwater contaminants, and provide states with documents specifying physical, chemical, biological, and radiological properties of contaminants, plus risk they pose to human health at various concentrations; referred to Environment & Public Works.

S. 95—Kerry (D.-Mass.). Aims at controlling acid rain by reducing annual emissions of sulfur dioxide 12 million tons and of nitrogen oxides 3 million tons by 1995 in 48 contiguous states; referred to Environment & Public Works.

S. 235—Wilson (R.-Calif.). Gives EPA, rather than Interior, authority to regulate air pollution caused by oil and gas production operations on outer continental shelf; referred to Environment & Public Works.

S. 300—Stafford (R.-Vt.). Reduces sulfur and nitrogen oxide emissions from industrial plants and vehicles over a 10-year period; referred to Environment & Public Works.

Health. S. 79—Metzenbaum (D.-Ohio). Provides for notification of workers at risk of occupational diseases to establish system for identifying and preventing illness and death of such workers; referred to Labor & Human Resources.

S. 223—Gore (D.-Tenn.). Makes FDA an independent entity, separate from Department of Health & Human Services, with independent commissioner appointed by President; referred to Labor & Human Resources.

Liability. S. 217—Pressler (R.-S.D.). Makes each defendant in liability case responsible only for amount of damages allocated to it in direct proportion to defendant's percentage of responsibility for damages claimed; referred to Judiciary.

Nuclear. S. 14—Byrd (D.-W.Va.). Establishes independent, three-member Nuclear Safety Board to investigate accidents at nuclear power facilities, along with policies and practices that may have led to them; referred to Environment & Public Works.

S. 44—Moynihan (D.-N.Y.). Establishes insurance system designed to provide full compensation of public in event of nuclear accident; referred to Environment & Public Works.

Science. S. 52—Pressler (R.-S.D.). Directs secretaries of Energy and Interior and NSF Director to prepare report on objectives, costs, and benefits of Continental Scientific Drilling Program; referred to Energy & Natural Resources.

Taxes. S. 58—Danforth (R.-Mo.). Provides permanent tax credit for increased R&D expenditures, restores credit rate to 25%; referred to Finance.

S. 200—Nickles (R.-Okla.). Repeals windfall profit tax on crude oil; referred to Finance.

S. 302—Boren (D.-Okla.). Imposes a new tax on the importation of crude oil and refined petroleum products; referred to Finance.

Trade. S. 180—Riegle (D.-Mich.). Establishes Department of International Trade & Industry in executive branch of government; referred to Governmental Affairs.

S. 186—Riegle (D.-Mich.). Establishes national trade information policy, Council on Trade Information, U.S. Trade Data Bank; referred to Governmental Affairs.

S. 219—Sasser (D.-Tenn.). Reforms and streamlines procedures to be followed in obtaining relief from injuries caused by import competition and unfair trade practices; referred to Finance.

S. 259—Chiles (D.-Fla.). Creates Cabinet-level Department of Trade charged with identifying and removing both U.S. and foreign barriers to free trade, monitoring foreign industries that engage in predatory practices, and requires counteractions against other countries that refuse to open their markets to imports; referred to Governmental Affairs.